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Security Council

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Letter dated 10 April 2007 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from Uruguay submitted pursuant to paragraph 6 of resolution 1373 (2001), as well as the response of Uruguay to resolution 1624 (2005) (see annex).

I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ricardo Alberto **Arias**
Chairman
Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

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Annex

Letter dated 13 March 2007 from the Permanent Representative of Uruguay to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

[Original: Spanish]

I have the honour to write to you in your capacity as Chairman of the Counter-Terrorism Committee (CTC) in reference to the note from the Permanent Mission of Uruguay to the United Nations, dated 21 April 2006, in order to transmit a document containing the replies of the Government of Uruguay to the additional questions concerning Security Council resolutions 1373 and 1624, as a supplement to the fourth report submitted in a timely manner by Uruguay (see enclosure).

(*Signed*) Elbio **Rosselli**
Ambassador
Permanent Representative

Enclosure*

Uruguay

1. Resolution 1373 (2001)

1.1 Uruguayan legislation does not contain a specific offence entitled "terrorism"; rather, by means of article 14 of Act No. 17,835, it characterizes the terrorist nature of various offences, deriving from the purpose for which they are conducted. In such cases, i.e., when an offence is committed for the purpose set forth in article 14, article 15 of the Act increases the penalty established by law for the offence in question.

1.2 Over the past year, as part of a determined strategy to combat money-laundering and the financing of terrorism, efforts began to strengthen Uruguay's Information and Financial Analysis Unit (UIAF); they included the appointment of a professional with extensive experience in the area as its head and the strengthening of its role within the Central Bank of Uruguay, in the context of a proposed new constitution currently being discussed in Parliament.

However, it is felt that UIAF does not yet have all the human and material resources it needs to perform its tasks fully and efficiently.

Owing to the importance of the issue, at a recent meeting between representatives of the Office of the President of the Republic — in their capacity as political leaders responsible for the prevention and control of money-laundering and the financing of terrorism in Uruguay — and the Board of Directors of the Central Bank of Uruguay agreement was reached on an ambitious plan for strengthening the resources allocated to UIAF, to be implemented in the short term, with the expectation that the problem would be resolved during the course of 2007.

At the same time, in coordination with the Inter-American Drug Abuse Control Commission of the Organization of American States, the process of selecting and implementing software for improving the system for reception and follow-up of suspicious transactions reports (STRs) has begun.

1.3 To date, UIAF has not signed a memorandum of understanding with its counterparts in other States. However, negotiations are currently being conducted on the signing of memorandums of understanding with the following countries: Argentina, Brazil, Mexico, Paraguay and Spain.

1.4 (a) Number of STRs received since the establishment of UIAF:

2001-2
2002-6
2003-13
2004-11
2005-42
2006-26

(b) UIAF referred four cases to the Uruguayan criminal justice system, concerning which no judgements have been issued.

* Annexes are on file with the Secretariat and are available for consultation.

(c) The obligation to report suspicious transactions was initially established by a decision of the Board of Directors of the Central Bank of Uruguay dated 20 December 2000 (communicated in Circular No. 1722 of 21 December 2001). Act No. 17,835 of 23 September 2004 was subsequently adopted, articles 1 and 2 of which refer to the reporting obligation and establish nine entities bound by the obligation.

1.5 As stated in the preceding reply, article 2 of Act No. 17,835 establishes a reporting obligation for certain non-financial entities. The relevant portion reads as follows:

> "*Article 2*. The following shall also be subject to the obligation set forth in the preceding article: casinos, enterprises providing money transfer or remittance services, real estate agencies, natural or legal persons engaging in the purchase and sale of antiques, art works and precious metals, and natural or legal persons which, on behalf of and for third parties, engage in financial transactions or regularly administer corporate entities when the latter do not constitute a consortium or economic group.
>
> The executive branch is empowered to establish, by way of regulation, the requirements to be met by entities bound by the obligation to register transactions, aimed at maintaining the respective entries and properly identifying customers."

The article sets forth an explicit reporting obligation for real estate agencies. The activities of the professionals mentioned above — lawyers, notaries and accountants — are not covered in their entirety, but their obligation — like that of any other natural or legal person — applies only to the extent to which they perform the activities covered in the last part of the article, i.e. when, acting on behalf of and for third parties, they engage in financial transactions or regularly administer corporate entities when the latter do not constitute a consortium or economic group. Regulations governing this provision were subsequently established by Decree No. 86/2005 of February 2005.

1.6 Pursuant to article 17 of Act No. 17,835, financial intermediation institutions must inform UIAF of any assets linked to persons identified as terrorists or as belonging to terrorist organizations in the United Nations list of associated individuals and entities or who have been declared to be terrorists by a final judgement of a national or foreign court. Article 18 stipulates that UIAF may instruct financial institutions to prevent transactions involving subjects such as the ones identified from being carried out; this is done according to the procedure established in article 6, i.e., the measure is adopted for a period of up to 72 hours, and is immediately communicated to the criminal justice authorities, who may, according to the circumstances of the case, order assets frozen without prior notice.

The legislation establishes no conditions with regard to the origin of the funds, hence the current legal framework permits the freezing of assets of legal origin which are linked to terrorist activities.

With regard to the question concerning article 6 of Act No. 17,835, when a terrorist group funds itself through criminal activities it is treated as a criminal organization as defined by the Palermo Convention, ratified by Act No. 17,861 of 28 December 2004.

1.7 According to article 17 of Act No. 17,835 of 23 September 2004, financial intermediation institutions must inform UIAF of any assets linked to persons who have been declared to be terrorists by a final judgement of a national or foreign court, even if they are not included in the United Nations list of associated individuals and entities.

1.8 As stipulated in Act No. 17,835 of 23 September 2004 and its Regulatory Decree No. 86/005 of 24 February 2005, the Central Bank of Uruguay is responsible for supervising compliance by businesses providing money transfer/remittance services with the legislation designed to prevent the offences of money-laundering and financing of terrorism. The legislation to be enacted is still under study, although it is expected to include the obligation to obtain a licence and to inform the Central Bank of Uruguay of any transactions exceeding a specified amount.

Without prejudice to the foregoing, it should be noted that the obligation to report suspicious transactions is already in force for such entities. In addition, UIAF has direct contacts with at least six different firms operating legally in Uruguay, comprising hundreds of offices open to the public throughout the country, which provide UIAF with information about their transactions and customers when so required, in fulfilment of the obligation set forth in article 5 of Act No. 17,835.

There has been no evidence to date of the existence and operation in our country of informal remittance systems, such as "hawala" or the like. Consequently, no specific provisions have been enacted to cover such activities.

1.9 See preceding reply.

1.10 (a) The main change in the regulations is contained in the aforementioned Act No. 17,835 of 23 September 2004, article 7 of which sets forth the possibility for UIAF to exchange information protected by confidentiality rules with other financial intelligence units (FIUs) outside the country, including information protected by bank secrecy regulations. Pursuant to article 5 of the Act, individuals and public agencies covered by the Act are under an obligation to provide all information requested by UIAF, and banking secrecy or confidentiality may not be invoked in response to such requests. For information, article 7 is transcribed in its entirety below:

> "*Article 7.* On the basis of the principle of reciprocity, the Central Bank of Uruguay, through the Financial Information and Analysis Unit, may exchange information relevant to the investigation of the offence of money-laundering with the counterpart authorities of other States who submit a reasoned request. They may also enter into a memorandum of understanding for this purpose.
>
> To this end, information protected by confidentiality rules may be provided only if the following requirements are met:
>
> (a) The information to be provided must be used by the requesting agency for the sole and specific purpose of analysing acts constituting money-laundering which derive from previous offences that are included in article 8 of this Act;
>
> (b) With regard to the information and documentation they receive, both the requesting agency and its officials must be subject to the same obligations of professional secrecy as the Financial Information and Analysis Unit and its officials;

(c) The information provided may be used only in criminal or administrative proceedings in the requesting State, by authorization of the criminal justice system of the requested country, which shall be granted in accordance with the rules of international legal cooperation."

(b) Similarly, Act No. 17,948 of 8 January 2006 clarified the scope of bank secrecy, the application of which is limited to passive operations.

1.11 Act No. 17,835 introduced into the legislation the special investigation technique of controlled delivery, which has already been used in a specific case. Other techniques in routine use are interception of communications, especially telephone tapping, which requires prior judicial authorization.

1.12 A witness protection programme is provided for in Decree No. 209/2000 of 25 July 2000, enacted pursuant to the provision contained in article 36 of Act No. 16,707 of 12 July 1995. This provision is generally applicable to anyone who intervenes in investigations carried out by the police or in the context of criminal proceedings, as witness or plaintiff.

1.13 Efforts are being made to establish an inter-agency coordination mechanism to develop a strategy in that area.

1.14 Under Uruguayan legislation, extradition requests are always processed through diplomatic channels.

When a treaty exists, the request is transmitted by the Ministry of Foreign Affairs to the Office of International Legal Cooperation and Mercosur (of the Ministry of Education and Culture). If no treaty exists, the request is transmitted to the Supreme Court of Justice, which refers it to the competent judge, who determines in all cases the date of execution of the extradition request.

The most recent treaties in this area are:

- Treaty on Extradition between the Eastern Republic of Uruguay and the Argentine Republic, ratified by Act No. 17,225 of 3 January 2000 and in force since 10 June 2000.
- Agreement on Extradition between the States parties of Mercosur and associated States, ratified by Act No. 17,499 of 27 May 2002. The instrument of ratification was deposited on 20 September 2002 and is currently in force with the Federative Republic of Brazil.
- Treaty on Extradition between the Eastern Republic of Uruguay and the Kingdom of Spain, ratified by Act No. 16,799 of 20 November 1996.

Article 32 of the Code of Criminal Procedure states that in cases where no treaty exists, extradition may take place only in accordance with the following rules:

(a) The offences involved must carry a minimum penalty of two-years' imprisonment;

(b) The request must be submitted by the respective Government to the executive branch, accompanied by a conviction or detention order, with the supporting documents required by the laws of the Republic, in order for the arrest to take place;

(c) A judicial declaration attesting to the validity of the extradition must be issued after the accused and the Attorney-General's office have been granted a hearing.

The general rule contained in article 13 of the Penal Code states that extradition is not admissible for political offences, for ordinary offences related to political offences, or for ordinary offences whose punishment is based on political reasons, and is also not admissible when the act in question has not been characterized as an offence under national legislation. Article 339 of the Penal Code states, "Genocide ... and acts of terrorism shall not be considered to be political offences". The Penal Code also provides that extradition may be granted even for offences not covered in treaties, provided that the treaties contain no prohibition to that effect.

Extradition of nationals is possible, provided that requirements under national legislation or in treaties, as appropriate, have been met.

In cases where the offence for which extradition is being requested carries life imprisonment or the death sentence in the requesting State, extradition shall be granted on the basis of a commitment to the effect that neither of those measures shall be applied.

Uruguay is bound by the following multilateral treaties on extradition:

- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988), approved through Act No. 16,579 of 7 September 1994;
- Convention on the Prevention and Punishment of the Crime of Genocide (adopted at Paris in 1948), approved through Act No. 13,482 of 7 July 1966;
- Convention on Territorial Asylum (adopted at Caracas in 1954), approved through Act No. 13,551 of 11 October 1996;
- Convention on Offences and Certain Other Acts Committed on Board Aircraft (adopted at Tokyo on 14 September 1963); Uruguay became a party on 26 January 1977;
- Convention for the Suppression of Unlawful Seizure of Aircraft ("Hague Convention", adopted on 16 December 1970); Uruguay became a party on 12 January 1977;
- Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (adopted at Montreal on 23 September 1971); Uruguay became a party on 12 January 1997;
- Agreement on Extradition among the member States of Mercosur (Council of the Common Market Decision No. 14/98; in force with Brazil and Paraguay), approved through Act No. 17,499 of 27 May 2002; and
- Agreement on Extradition between the member States of Mercosur, the Republic of Bolivia and the Republic of Chile (Council of the Common Market Decision No. 15/98; in force with Bolivia), approved by Act No. 17,498 of 27 May 2002.

1.15 At present, there is no advanced passenger manifest programme or automated alert system. However, there is a computerized database containing information on

the entry and exit of persons at all points. The National Migration Office also consults the Information and Intelligence Office and the International Criminal Police Organization (Interpol), before granting visas to persons of nationalities for which they are required.

1.16 The bodies concerned are currently:

- National Migration Office (Ministry of the Interior);
- Customs Office (Ministry of the Economy and Finance);
- Coastguard (Ministry of Defence); and
- Border Control Department (Ministry of Defence).

These bodies ensure ongoing coordination through the Committee for Border Control Facilitation and maintain regular contact with other relevant bodies (such as the aforementioned Information and Intelligence Office, Interpol and the Department for the Suppression of Illegal Drug Trafficking).

In addition, after a preliminary study, the Customs Office submitted to the World Customs Organization (WCO) a declaration of interest regarding initiation of the implementation process for the Framework of Standards to Secure and Facilitate Global Trade.

1.17 Implementation-related problems have been encountered with respect to the monitoring of 100 per cent of hold baggage and of cargo, mail and couriers. This problem is related to the high cost of X-ray equipment, explosives detectors and training programmes for the use thereof. Uruguay was audited by an International Civil Aviation Organization (ICAO) Universal Safety Audit Programme (USAP) team from 30 January to 8 February 2006. The proposed activities were submitted to ICAO on 22 June 2006, together with Uruguay's plan for short-, medium- and long-term corrective measures; this will allow the State and the administration to demonstrate their intent, and to make an official commitment, to ICAO with a view to the withdrawal of the objections raised made in the Universal Audit plan.

1.18 Uruguay signed the International Convention for the Suppression of Acts of Nuclear Terrorism on 16 September 2005; the process leading to its ratification is now under way.

2. Security Council resolution 1624 (2005)

2.1 With respect to offences of a terrorist nature (Act No. 17,835, art. 14), articles 147 and 148 of the Penal Code are applicable:

Article 147 (on public incitement to commit a crime): Anyone who publicly incites to commit a crime shall be subject, on the grounds of incitement alone, to 3 to 24-months' imprisonment.

Article 148 (on statements in support of acts defined as criminal offences): Anyone who makes a public statement in support of acts defined as criminal offences shall be subject to 3 to 24-months' imprisonment.

The specific legislation on income tax offences also applies.

2.2 Where the offence is established in domestic law, the corresponding measures are applicable.

2.3 Prevention and punishment of the acts in question are part of the general counter-terrorism policy, insofar as these acts include elements such as public incitement and financing, and are carried out within the framework of the treaties and conventions to which Uruguay is a party.

2.4 The Eastern Republic of Uruguay specifically establishes the principle of non-discrimination in its Constitution, article 8 of which states that "all persons are equal before the law. No distinctions among them, other than those of talent or virtue, shall be recognized". Article 7 further states that "the inhabitants of the Republic have the right to protection in the enjoyment of their lives, liberty, security, employment and property", adding that "no one may be deprived of these rights except in accordance with laws established for reasons of public interest".

Article 149 bis of the Penal Code, which establishes the offence of "incitement to hatred, scorn or violence in respect of certain persons", was added through Act No. 16,048 of 16 June 1989.

Furthermore, Uruguay is a signatory to the International Covenant on Civil and Political Rights (1966), approved through Act No. 13,670 of 1 June 1968, and to the American Convention on Human Rights (Pact of San José, Costa Rica, adopted on 19 December 1966), approved through Act No. 15,737 of 8 March 1985, which prohibit all forms of discrimination.

It should be noted that among the treaties ratified by the State of Uruguay are the following:

- International Convention on the Elimination of All Forms of Racial Discrimination (adopted on 21 December 1965), approved through Act No. 13,670 of 1 July 1968;
- International Convention against *Apartheid* in Sports (Uruguay became a party on 28 May 1986), approved through Act No. 15,982 of 11 September 1987; and
- International Labour Organization (ILO) Convention No. 111 concerning Discrimination in respect of Employment and Occupation (agreed on 4 June 1958), approved through Act No. 16,063 of 6 October 1989.

In observance of, and in compliance with, the principles, rights and obligations emanating from the aforementioned conventions, constitutional provisions and laws, Uruguay is taking ongoing action to avoid all forms of discrimination by strengthening the existence of an egalitarian, homogeneous society where the principles of non-discrimination and a sense of equality are deeply rooted in the great majority of its members.

Also relevant is the recently adopted Act No. 17,930 of 19 December 2005 (art. 229, para. 1 (k) (F)), which requires the Human Rights Directorate to "carry out activities with a view to the elimination of all forms of discrimination on grounds of ethnicity, race, gender, religion, sexual orientation, differences in abilities, age or physical appearance".

2.5 With respect to the prevention and punishment of acts of terrorism, Uruguay is a State party to various relevant international treaties, conventions and agreements, including:

- Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (adopted at New York on 14 December 1973), approved through Decree-Law No. 14,742 of 20 December 1977 and ratified on 13 June 1978;
- International Convention against the Taking of Hostages (adopted at New York on 17 December 1979), approved through Act No. 17,585 of 18 November 2002 and ratified on 4 March 2003);
- International Convention for the Suppression of Terrorist Bombings (adopted at New York in December 1997), approved through Act No. 17,410 of 29 October 2001 and ratified on 10 November 2001;
- International Convention for the Suppression of the Financing of Terrorism (adopted at New York on 9 December 1999), approved through Act No. 17,704 of 27 October 2003 and ratified on 8 January 2004;
- Convention on Offences and Certain Other Acts Committed on Board Aircraft (signed at Tokyo on 14 September 1963), approved through Act No. Decree-Law No. 14,436 of 7 October 1975 and ratified on 26 January 1977;
- Convention for the Suppression of Unlawful Seizure of Aircraft (signed at the Hague on 16 December 1970), approved by Decree-Law No. 14,436 on 7 October 1975 and ratified on 12 January 1977;
- Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (signed at Montreal on 23 September 1971), approved by Decree-Law No. 14,436 on 7 October 1975 and ratified on 12 January 1977;
- Protocol on the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971 (signed at Montreal on 24 February 1988), approved through Act No. 16,891 of 12 December 1997 and ratified on 3 December 1998;
- Convention on the Marking of Plastic Explosives for the Purpose of Detection (signed at Montreal on 1 March 1991), approved through Act No. 17,329 of 9 May 2001 and ratified on 14 June 2001;
- Convention on the Physical Protection of Nuclear Material (signed at Vienna in March 1980), approved through Act No. 17,680 of 1 August 2003 and ratified on 24 October 2003;
- Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (done at Rome on 10 March 1988), approved through Act No. 17,341 of 25 May 2001 and ratified on 10 August 2001;
- Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (done at Rome on 10 March 1988), approved through Act No. 17,341 of 25 May 2001 and ratified on 10 August 2001;
- Convention to Prevent and Punish the Acts of Terrorism Taking the Form of Crimes Against Persons and Related Extortion that are of International Significance (concluded at Washington, D.C., on 2 February 1971), approved

through Decree-Law No. 14,728 of 28 November 1977 and ratified on 17 March 1978; and

- Inter-American Convention Against Terrorism (adopted at Bridgetown on 3 June 2002), approved by the Senate on 16 May 2006 and currently before the House of Representatives.

With respect to domestic (national) law, there is a specific body of legislation that is summarized in Act No. 17,835 of 23 September 2004, which regulates the system for the prevention and control of money-laundering and the financing of terrorism.

With a view to preventing acts of extremism and intolerance, particularly in the areas of education and culture, Uruguay has adopted Act No. 14,068 of 12 July 1972, entitled the Security and Public Order Act.

2.6 Uruguay has ratified many extremely important international human rights instruments such as those mentioned in section 2.4 above. In addition, the recently adopted Act No. 17,930 of 19 December 2005 (art. 229, paras. A-H) established the Human Rights Directorate within the Ministry of Education and Culture; it is responsible for a broad range of substantive tasks involving the promotion, protection and effective enforcement of human rights.

3. Assistance and guidance

Uruguay agrees with the assistance needs identified in this section. However, in the light of the points raised in sections 1.15 to 1.18 above, please consider the possibility of special support in the area of border control: equipment (including scanners), training and information technology.

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I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ricardo Alberto **Arias**
Chairman
Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

07-30914 (E) 120607

Annex

Letter dated 20 March 2007 from the Permanent Representative of India to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

In pursuance of the obligation of all Member States emanating from Security Council resolution 1624 (2005) to implement and report additional measures to combat terrorism, I have the honour to forward the fifth report of India in this regard (see enclosure). The report may also be read in continuation of the fourth report of India (S/2004/451) forwarded under cover of our letter of 28 May 2004, as mandated by resolution 1373 (2001).

(*Signed*) Nirupam **Sen**

Enclosure*

Fifth report of the Government of India to the Counter-Terrorism Committee

Introduction

India has always strongly condemned terrorism in all its forms and manifestations. We believe that there can be no justification whatsoever for any act of terrorism. The fight against terrorism has to be long term, sustained and comprehensive. As the threat of terrorism transcends national boundaries, it needs to be countered cooperatively by member states.

As a country which has unfortunately been at the receiving end of terrorism, India has both a strong national resolve as well as a well developed and specialized apparatus to fight this scourge. India has played a pro-active and constructive role in further strengthening counter-terrorism cooperation at various levels – bilateral, regional and international. India had presented a draft Comprehensive Convention on International Terrorism at the United Nations as far back as in 1996 and continues its engagement with other member states for an expeditious adoption of this Convention. India also made a positive contribution to the discussions leading to the adoption of a Global Counter-Terrorism Strategy by the UN General Assembly in September, 2006.

Government of India attaches utmost importance to the fulfillment of its obligations under the relevant counter-terrorism resolutions of the United Nations. India has been a firm and consistent supporter of the UN Security Council Resolution 1373 and the work of the Counter-Terrorism Committee(CTC). Since 2001, Government of India has submitted four National Reports to the CTC, which have attempted to give a comprehensive picture of steps taken by India to counter terrorism.

As in earlier reports, the compilation of Government of India's responses to the specific issues/questions raised by the CTC, in its 5th report, is based on extensive inter-ministerial and inter-agency consultations. A unique dimension to India's 5th report is the fact that it is being filed after the visit of a 14-member composite delegation of UN counter-terrorism experts, led by the Executive Director of the Counter-Terrorism Executive Directorate (CTED) and including representatives of CTED, Monitoring Team of UNSC's 1267 Committee, INTERPOL, UNODC and WCO, in November, 2006.

*Annexes are on file with the Secretariat and are available for consultation.

Besides having a first hand assessment of Government of India's fulfillment of its obligations under UNSC resolutions on counter-terrorism, especially 1373(2001) and 1267(1999), the visiting delegation got a detailed picture of the legal and policy framework as well as the elaborate and specialized machinery for counter-terrorism in India. The visit was also utilized by both sides for an extensive and mutually fruitful exchange of views on a wide range of issues related to counter-terrorism. The indepth discussions during the visit included practically all specific issues on which Government of India has given its responses in its 5th report to the CTC.

Specific issues/questions raised by CTC and GoI's responses

Implementation measures

1. Protection of the economic and financial system

1.1 In its 4th report, India states that its Financial Intelligence Unit (FIU) is in the process of being set up. The Committee would appreciate an update on this process. If the FIU has been established, is it independent, autonomous, adequately structured, funded, staffed and provided with sufficient technical and other resources to fully perform its authorized functions?

Response - The Financial Intelligence Unit-India (FIU-IND) has been set up as the central national agency under the Department of Revenue, Ministry of Finance, Government of India, w.e.f. 18.11.2005, with a view to coordinate and strengthen collection and sharing of financial intelligence through an effective national, regional and global network to combat money laundering and related crimes. The FIU-IND is an independent body reporting directly to Economic Intelligence Council (EIC) headed by the Finance Minister.

FIU-IND is headed by Director FIU-IND, an officer of the rank of Joint Secretary to the Government of India and is assisted by a highly trained technical group of financial experts, analysts and IT specialists. FIU-IND enjoys functional independence, autonomy and the necessary budgetary support to fully perform its authorized functions.

1.2 The Committee notes that wire transfer services must register with the Reserve Bank of India. How many currency remittance/wire transfer services are registered and/or licensed in your country? What are the penalties for failure to register or to obtain a license?

Response - As per the Money Service Transfer scheme of the Government, all the wire transfer service agencies are to be registered with the Reserve Bank of India.

A list of agency arrangements entered into by banks and financial institutions with overseas principals to undertake Inward Money Transfer Service is enclosed **(Annexure I).** RBI has granted permission to 10 overseas entities for tie-ups with 27 Indian Agencies under the Money Transfer Service Scheme (MTSS). Permission for MTSS is granted under Section 3 (c) of the Foreign Exchange Management Act 1999. Failure to register is liable to penalties applicable for violation of the provisions of the Act, which are covered in Chapter IV thereof.

1.3 How many formal and informal currency and asset remittance services do you believe exist, in addition to those that have registered or obtained licences? What measures are you taking to close down such operations?

Response: The so called informal services relate to illegal transfer of money through unofficial channels, commonly known as "hawala" transactions. Due to the very nature of such transactions which are all clandestine, it is not possible to indicate any number. The number of cases registered against them, however, can give an indication of the scale of their operations. In 2004, 224 such cases were registered by issuance of show cause notices by the concerned authorities, involving a sum of US$ 725 million.

These operations are illegal and are covered under Section 3 of Foreign Exchange Management Act(FEMA), 1999. The Directorate of Enforcement, which is the nodal agency to deal with these cases, has made some fresh proposals to Ministry of Finance for further strengthening the legal framework to deal with such cases.

1.4 The Committee is aware that draft rules under the PMLA are in the process of being finalised. It would be pleased to receive a progress report and, if possible, a copy of draft rules.

Response: The rules under the Prevention of Money Laundering Act have since been notified with effect from 1 July 2005. These rules are available at the website: http//finmin.nic.in/law/moneylaunderingrule.pdf. A copy of these rules is enclosed **(Annexure II).**

1.5 The Committee takes note of the fact that India has recently issued an enabling notification to facilitate implementation of Security Council Resolutions under its United Nations Security Act which is expected to further strengthen action against non-profit organizations operating under false pretences and thereby to help prevent the financing of terrorism. The Committee would appreciate further information on that and an explanation of how it will function.

Response: The United Nations (Security Council) Act, 1947 (43 of 1947) was enacted to enable the Central Government to implement the Security Council Resolutions adopted under Chapter VII of the Charter of the United Nations. Section 2 of the Act authorises the Central Government to adopt such measures as it may consider necessary to implement such resolutions. In order to implement the Security Council Resolution 1373 and other relevant resolutions adopted by the Security Council under Chapter VII of the Charter to combat international terrorism, the Central Government issued an Order entitled the "prevention and Suppression of terrorism (Implementation of Security Council Resolutions) Order 2004". This Order was further strengthened and was published in the Official Gazette on 23 March, 2006. A copy of the 2006 Order is enclosed at **Annexure III**. In pursuance of this order, the concerned agencies are notified to take necessary action against the listed entities and individuals as per the relevant domestic laws.

Non Governmental Organisations (NGOs) in India can be registered under the Societies Registration Act, Indian Trusts Act or the Charitable and Religious Endowments Act. Acceptance and utilization of foreign contributions by these organisations is governed by the Foreign Contribution (Regulation) Act, 1976. Associations working in cultural, economic, educational, religious or social fields can accept foreign contribution only after obtaining registration or prior permission under the Act. The Act contains, *inter alia,* provisions for monitoring the utilization of foreign contribution received by an association, inspection of its accounts and penal provisions for violation of the Act. The Foreign Contribution (Regulation) Rules, 1976

prescribe the documentation such as the application forms, annual returns and the manner of maintenance of accounts etc.

Monitoring of utilization of foreign contribution received by an association

Donations received by charitable organizations can be spent only for the stated purpose for which the donation was made or for any general purpose falling under the scope of the activities carried out by the organization. Every association registered under the Act or, granted prior permission to receive foreign contribution, is required to file an annual return, duly certified by a chartered accountant, with the Ministry of Home Affairs, intimating the receipt of foreign contribution during the year and the manner of its utilization. A "nil" return is also mandatory. This return forms the basis of the Annual Report on the Receipt of Foreign contribution by Voluntary Associations prepared by the Ministry of Home Affairs. This report is shared with state governments and intelligence agencies. In case of any violation or on receipt of a complaint against the association, the Central Government can order

(i) inspection of the accounts/ records of an association; or
(ii) audit of its books and accounts.

Based on the inspection report, penal action, if required, is taken against the association as per the penal provisions of the Act. These include:

Penal Provisions

The Act contains a number of provisions under which the Central Government can initiate action against an association, receiving foreign contribution, that is found indulging in activities that are likely to affect prejudicially,

i) the sovereignty and the integrity of India;
ii) public interest;
iii) freedom or fairness of election by Legislature;
iv) friendly relations with any foreign state; or
v) harmony between religious, racial, linguistic or regional groups, castes or communities.

The penal provisions include:

i) prohibiting the association from accepting foreign contribution
ii) placing the association in the prior permission category for accepting foreign contribution
iii) seizure and confiscation of any article or currency that is believed to have been acquired by the association in contravention of the provisions of the Act
iv) sanction of prosecution of an association for contravening the provisions of the Act
v) Imposition of a sentence of imprisonment with terms ranging from one year to five years, or with fine or with both.

The Income Tax Act prohibits the expenditure of funds by NGOs any where except for the stated purposes or may be invested in schedule banks, public deposits and bonds and government securities. The management of the organisation and as well as the auditors of such organisations are required to certify the nature of the grant or donations. The auditors are also required to certify that donations/grants are spent for the purpose for which they were received. The Income tax department after a thorough scrutiny of the accounts and balance sheet of the organisation, issues the income tax exemption certificate, which is required to be obtained by the organisation concerned every year.

Effectiveness of CT measures

1.6 Without compromising sensitive information, or ongoing investigations, the Committee would welcome information on India's use of the following:

- ***Investigation Techniques;***
- ***Tracking the funds of Criminal Groups; and***
- ***Intercepting Communications.***

Response: Agencies concerned with interdiction and investigation utilize all sources including HUMINT, TECHINT, OSINT etc. laid down in the existing laws and procedures within the framework of the rule of law. Further details are confidential in nature and cannot be shared.

Customs Controls

1.7 How does India implement the common standards for electronic reporting and for the promotion of supply chain security, established by the World Customs organizations (WCO) and the international standards established in the revised international convention on the simplification and harmonization of customs procedures (Kyoto Convention)?

Inputs: Electronic information forwarded by the Trade and Transport Departments is in line with the standards specified by the World Customs Organisation (WCO). Indian customs data elements have been mapped with reference to the WCO model. Data requirements are based on international specifications like International Civil Aviation Organisation, IMO-FAL etc. India has signed the International Convention on Mutual Administrative Assistance in Customs Matters (Johannesburg Convention), a WCO convention aimed at enhancing cooperation among Customs Administration of various countries to ensure supply chain security. As regards the implementation of the Standards of the revised International Convention on the Simplification and Harmonization of Customs Procedures (the Kyoto Convention), India is a contracting party t the Convention and has accepted the General Annex and has in place legislation and procedures to cover these Standards.

1.8 Does India utilize advance Passenger Manifest Programme to verify the names of inbound passengers on international flights against CT databases before landing?

Response: India is in the process of implementing the Advance Passengers Information System (APIS). Under this system, airlines are required to provide information about the passengers on board to the Immigration Authorities in India. This information is to be furnished in prescribed format by electronic means within fifteen minutes of taking off of the aircraft from the destination. The APIS was implemented from July 1, 2006 on a pilot basis at the Indira Gandhi International (IGI) Airport, Delhi with data from Air India. Modalities are being worked out to implement it for all airlines from IGI Airport, Delhi. Subsequently, it will be extended to 22 major Immigration Check Points.

APIS is expected to enhance passenger profiling and utilise the resources in a focused manner on suspected passengers instead of concentrating on all passengers.

1.9 Does India have any immigration database systems or an integrated electronic Customs network?

Response: India has an Immigration data base system. Further details cannot be shared as the information is sensitive in nature. A Customs network consisting of high speed leased lines connecting 34 Customs locations has been set up. There is also a plan for creating a countrywide connectivity linking all Customs, Central Excise and Service tax locations.

1.10 Is India's system for the granting of Motor vehicle, business and other licenses integrated into its terrorism watch system?

Response: Under the existing system for grant of a motor vehicle license, applicants are required to furnish only a proof of residence. The GoI is contemplating an amendment to the Central Motor Vehicles Rules, 1989 which will enable it to seek details pertaining to nationality, along with a proof of legal presence in the country in respect of foreigners while granting a motor vehicle license.

The Companies Act, 1956, governs the incorporation of both limited and private companies. The Registrar of Companies has 20 offices in different parts of the country. For incorporation of companies, information that needs to be furnished includes name, Memorandum of Association, Articles of Association, List of Promoters and Proof of Identity of Promoters. Each Registrar of Companies allots CIN Number (Certificate of Incorporation Number) to a company incorporated in his jurisdiction. The Registrar of Companies conducts verification on the basis of the information furnished.

GoI is in the process of rendering the entire process simpler and more secure with on-line incorporation of Companies. The applicant would be required to file necessary information on-line to the Registrar of Companies which will also issue the Certificate of Incorporation Number (CIN). The CIN in this case, however, would be allotted by the system only. The system will also allocate a Director Identification Number (DIN), a number unique to an individual even if he/she is a director in more than one company.

1.11 The Committee is aware that India is developing a perspective plan for integrated infrastructure development of border areas and an action plan to strengthen coastal security. The Committee would welcome an update on the development of these plans.

Response: An Inter-Ministerial Task Force has been set up by the Government of India to further streamline the Border Area Development Programme (BADP). The Task Force has been entrusted with the responsibility of assessing/analyzing the design, planning and implementation of the BADP. It has held extensive discussions with the State and District authorities on issues related to border areas.

A plan to strengthen the security of the coastal areas by strengthening the infrastructure for patrolling and surveillance of the coastline has been formulated for implementation over a period of five years. The plan aims at enhancing the capabilities of the State Governments to police the coast including the coastal waters. It envisages setting up coastal police stations, outposts and check-posts in the coastal areas. The coastal police stations will be equipped with vehicles, vessels and equipment for mobility on coast and in waters close to the coast. The coastal police stations will have a marine police component with personnel trained by the Coast Guard in maritime functioning.

1.12 The Committee notes that India is committed to installing a risk management module based on all identifiable risk parameters at 23 of the Indian Customs Electronic Data Interchange System (ICES) locations by June 2004 and would appreciate a progress report.

Response: A Risk Management System was initially implemented in two major customs locations and its expansion to other major Customs centers has been taking place with a view to cover all major locations. As on September 22, 2006, Risk Management Systems (RMS) in Imports has been implemented at all ports/ air cargo complexes/ICDs in Mumbai, Chennai, Delhi, Bangalore and Kolkata. The RMS now covers 13 major Customs locations. 10 more locations are proposed to be covered by the RMS by March 2007.

Immigration Control

1.13 Does India maintain computerized immigration records and, if so, do they include data on asylum seekers? What measures have been taken to prevent such data from being shared accidentally with asylum seekers' countries of origin?

Response: India maintains computerized Immigration records, viz entry and exit of foreigners is recorded and stored in computerized form. India does not have a refugee law and is not a signatory to 1951 Geneva Convention and 1967 Protocol. Thus, there is no system of seeking or granting asylum to anybody in India following a legal procedure and therefore, the question of maintaining data on 'asylum seekers' does not arise. Data of a large number of registered Afghans, Tibetans, Myanmarese, Sudanis, Sri Lankans, Vietnamese and Stateless Refugees, etc., who are staying in India as refugees with Government permission is maintained separately. Several of these refugees carry on their efforts for settlement/asylum in a third country through UNHCR.

1.14 Are the locations of asylum seekers in India monitored? If so, is the compilation of information conducted at a local or national level? Is the information shared with the office of UNHCR pursuant to the GA resolution 428 (V)?

Response: As regards monitoring the locations and activities of asylum seekers in India, the activities of foreigners referred to in the previous para are monitored as per requirement. However, such information is not shared with UNHCR.

1.15 India has indicated that it has made every effort to ensure that suspected terrorists do not misuse the authorization of temporary stay on humanitarian grounds as a means to seek refuge in India. The Committee would be grateful to receive details of the measures taken in that regard.

Response: As far as immigration is concerned, India maintains a negative list of the suspected terrorists on the basis of inputs received from various agencies including the Interpol. The purpose is to prevent entry into/exit from the country and to monitor their movements.

1.16 India is in the process of issuing new identity documents. The Committee would be grateful to know what your country has done to improve the quality of its identification, travel and similar document in order to meet minimum international security standards aimed at making them impossible to duplicate, falsify or obtain fraudulently.

Response: India is a member of the Technical Advisory Group on Machine Readable Travel Documents (TAG-MRTD) of the International Civil Aviation Organisation (ICAO). India participated in the last meeting of TAG-MRTD of ICAO held at Montreal on 26-30 September 2005. Presently all travel documents are machine-readable and the security and data features conform to ICAO standards. All Passport Authorities in India started issuing Machine-readable Passports (MRPs) since 2001. The issuance of MRPs from Indian Missions abroad has already commenced and is likely to be achieved by March 2007. The photograph and signature of the applicant are scanned and printed on the passport booklet. The personal particulars and the Machine Readable Zone (MRZ) are also computer-printed which makes substitution of photograph and signature and tampering with the data extremely difficult; thereby considerably reducing instances of forgery and impersonation. Several security features have been incorporated in the travel documents:-(i) the Indian emblem has been incorporated on the cover material of the passport booklets in the form of Ultra Violet feature; (ii) the ink used on the visa pages is bi-fluorescent which glows in red colour under U.V. shortwave and blue colour under U.V. longwave; and, (iii) the thread used in passport booklets also has U.V. features.

1.17 Does India permit legal name changes without residency? If so, some form of positive identification such as fingerprinting or photographing, used to verify the applicant's identity prior to the name change?

Response: While applying for issue of any identification papers, a residency proof is required. The applicant has to provide his/her photograph and necessary documents for obtaining his/her identification papers. However, no fingerprinting system is maintained for verification of identity prior to name change.

1.18 Does India have technology and trained personnel at border locations to examine and detect forged, falsified or stolen documents? If not, is there a plan to provide this capability?

Response: India initiated a Comprehensive Modernisation Programme of Immigration Check Posts (ICPs) in 2004-5. The programme is likely to be completed shortly. Major components of this programme, including the status as of December 2006 are given below:

(i) **Upgradation of Computer Systems:** Computer systems upgraded at 19 Immigration Check Posts (ICPs). Action under progress at 12 ICPs.

(ii) **Installation of New Immigration Control System (ICS) software:** ICS software installed at 16 ICPs. Action under progress at 14 ICPs.

(iii) **Installation of Passport Reading Machines (PRMs):** PRMs installed at 15 ICPs. Action under progress at 11 ICPs.

(iv) Upgradation and networking of Central Foreigners Bureau (CFB) of Bureau of Immigration (BoI) with major ICPs is underway.

(v) A **Questionable Document Examiner (QDX)** machine to detect fraudulent/forged travel documents has been installed at Mumbai International airport. Action under progress at 28 ICPs.

The immigration personnel are imparted suitable induction training by the Bureau of Immigration. Long term refresher and sensitization courses are also held on various aspects of immigration including detection of forged, falsified and stolen documents.

2. Implementation of resolution 1624 (2005)

Paragraph 1

2.1 What measures does India have in place to prohibit by law and to prevent incitement to commit a terrorist act or acts? What further steps, if any, are under consideration?

Response: The Indian Parliament amended the Unlawful Activates (Prevention) Act, 1967 in 2004 (UAPA), by incorporating provisions to deal with all facets of terrorism including incitement to commit a terrorist act. Section 18 of the UAPA provides for imprisonment for a term not less than 5 years but which may extend to imprisonment for life and also liable to fine against any person who conspires or attempt to commit or advocates, abets, advises or incites or knowingly facilitates the commission of a terrorist act, or any act preparatory to the commission of a terrorist act. Further, the Act

also criminalizes raising of funds, holding proceeds of terrorism, harbouring of a terrorist etc. and provides for enhanced penalties to any person who, with the intent to aid any terrorist, attempts to contravene or abets or does any act preparatory to contravention of any provision of the Explosives Act, 1884 or the Explosive Substances Act, 1905 or the Inflammable Substances Act, 1952 or the Arms Act, or is in unauthorized possession of any bomb, dynamite or hazardous explosive substance or other lethal weapon or substance capable of mass destruction or biological or chemical substance of warfare.

2.2 ***What measures does India have to deny safe haven to any person with respect to whom there is credible and relevant information giving serious reasons for considering that they have been guilty of incitement to commit a terrorist act or acts?***

Response: India is a member of the Interpol. It has put in place extradition mechanisms with several countries and is signatory to all UN Conventions on anti-terrorism. India has entered into Mutual Legal Assistance Treaties (MLATs) in criminal matters to facilitate mutual assistance in investigation, prosecution, prevention of crime, serving summons and other judicial documents, execution of warrants and other judicial commissions and tracing, restraint, forfeiture or confiscation of proceeds and instruments of crime.

India has also established Joint Working Groups (JWGs) with a number of countries on counter-terrorism and agreements on co-operation in combating illicit trafficking or abuse of narcotic drugs and psychotropic drugs and substances.

As mentioned above, UAPA is a comprehensive law to deal with all facets of terrorism. Section 19 of UAPA provides punishment with imprisonment for a term which shall not be less than three years but which may extend to imprisonment for life and also liable to fine if any person voluntarily harbours or conceals or attempts to harbour or conceal any person knowing that such person is terrorist. Further, this provision also applies in relation to a terrorist who has committed an act of terror in a foreign country in view of the fact that the definition of an act of terror in Section 15 of the UAPA is country central. Hence, India has an adequate legal framework to deny safe heaven to terrorists.

Paragraph 2

2.3 How does India cooperate with other States in strengthening the security of its international borders with a view to preventing those guilty of incitement to commit a terrorist act or acts from entering their territory, including by combating fraudulent travel documents and, to the extent attainable, by enhancing terrorist screening and passenger security procedures?

Response: India has entered into several bilateral and multilateral mechanisms to cooperate with other States in curbing the scourge of terrorism. These include:

a) Joint Working Group on Counter Terrorism with BIMSTEC (includes Bangladesh, Bhutan, Myanmar, Nepal and Sri Lanka);
b) MoU with China;
c) Joint Working Group on Border issues with Bangladesh;
d) Indo-Bhutan Group on Border Management and Security issues; and
e) Bilateral Agreement with Myanmar for maintenance of peace and tranquility in border areas.

Paragraph 3

2.4 What International efforts is India participating or considering participating in/initiating in order to enhance dialogue and broaden understanding among civilizations in an effort to prevent the indiscriminate targeting of different religious and cultures?

Response: India is a nation inhabited by diverse cultural, religious and linguistic groups and has a long history of peaceful and harmonious existence in a multi-ethnic, multi-religious, multi-lingual and multi-cultural milieu. This has been possible only through a long heritage of dialogue and assimilation among people and myriad influences through the centuries. India believes that the process of encouraging the dialogue should also involve formulation of common approaches towards targeting eradication of poverty, working towards environmental sustainability, fostering national and international co-operation to reduce economic and social inequalities. The Government of India through its National Common Minimum Programme addresses issues such as elimination of disparities in access, empowerment of women and securing a rightful place for the disadvantaged and the minorities. Several measures

have been taken to boost the confidence of these sections and special efforts in a spirit of positive discrimination are being made to bring up the socio-economic and educational levels of these categories.

An International Conference on "**Dialogue Among Civilization – Quest for New Perspectives**" was held in New Delhi on 9-10 July 2003. It was attended by representatives from more than 80 countries.

Ms. Shobana Bhartia, Hon'ble Member of Parliament and Managing Director of the Hindustan Times, is member of the High-level Group of eminent persons established under the "Alliance of Civilizations" initiative (launched in July 2005) of the UN Secretary General.

The activities of Indian Council for Cultural Relations (ICCR) in the field of cultural exchange by the way of performing/non-performing art/exchange of distinguished personalities, exhibitions, seminars/symposia, provision of scholarship to foreign students, running of Cultural Centres abroad, publication etc. contribute to India's efforts to enhance dialogue and broaden understanding amongst civilizations. This is obviously a short illustrative list. The impeccable credentials of a country like India with a well known pluralistic ethos hardly needs to be overemphasised.

2.5 What steps is India taking to counter incitement of terrorist acts motivated by extremism and intolerance and to prevent subversion of educational, cultural and religious institutions by terrorists and their supporters?

Response: Since time immemorial, India has preserved a rich tradition of peaceful co-existence firmly established in tolerance and abhorrence of any kind of extremism and violence. Our founding fathers left no stone unturned to get these age old principles enshrined in our Constitution. Subsequently, adequate provisions were incorporated in the Constitution of India for protection of the rights and well being of the minorities and their institutions in the country. Apart from the right to equality before law, Articles 25 to 30 (Part III on Fundamental Rights) explicitly spell out various rights for its citizens including Minorities as enshrined in the Constitution and Part VI A on Fundamental Duties enjoin upon all its citizens to religiously adhere in letter and spirit to the provisions of the Constitution.

In order to effectively implement the various Constitutional and Legal provisions, the Government has put in place an institutional mechanism which encompasses an independent judiciary, a free media, separate independent bodies like the National Commission for Minorities and the National Human Rights Commission apart from Ministries at the Central level, like the Ministry of Home Affairs and the Ministry of Social Justice and Empowerment and likewise at the State level. Some of the other steps undertaken include upgradation and modernization of police infrastructure and training and also of intelligence gathering techniques, closely monitoring the activities of fundamentalist organizations and their leaders, setting up of peace and integration committees with fair representation of women, and evolving norms for harmonious celebration of festivals of different communities.

In addition to the above, the Government extends financial grants to voluntary organizations to promote national integration and communal harmony through their programmes and confers Communal Harmony Awards through National Foundation of Communal Harmony. The Ministry of Home Affairs has also instituted another award, known as 'Kabir Puraskar', to honour those citizens who display exemplary acts of physical and moral courage in saving the lives and properties of members of another community during communal riots. "Quami Ekta week" is also observed every year during the month of November.

Paragraph 4

*2.6 **What is India doing to ensure that any measures taken to implement paragraph 1, 2 and 3 of resolution 1624 (2005) comply with all of its obligations under international law, in particular international human rights law, refugee law and humanitarian law?***

Response: The Indian legal system provides for sufficient checks and balances to ensure that measures taken to implement the steps laid down in the UN Security Council Resolution 1624 are in accordance with the relevant laws in force, the principles of natural justice and the process of law, principle of non-refoulement, presumption of innocence until proven guilty and other principles of international human rights law and international humanitarian law.

3. Assistance and guidance

3.1 The Committee wishes to emphasize once more the importance that it attaches to the provision of assistance and advice in connection with the implementation of the resolutions. The Committee's Directory of Assistance (www.un.org/sc/ctc) is frequently updated to include new relevant information on available assistance.

3.2 The Committee notes with appreciation India's meeting with CTED, held on 1 November 2005 at India's initiative, and the detailed presentation on its counter-terrorism strategy that India made to the Committee on 2 November 2005. In particular, the Committee welcomes India's offer, during the presentation, to provide technical assistance in the field of counter-terrorism. As a follow-up to this offer, the Committee would like to receive information on areas in which India might be in a position to provide assistance to other States in relation to implementation of the resolutions.

Response: India has an elaborate, professional and experienced counter-terrorism machinery. In the framework of its Joint Working Groups (JWGs) with several countries, India is providing technical assistance in some cases and in general looks at proposals for capacity building positively. During the visit of a composite delegation of counter-terrorism experts at the UN led by Executive Director of CTED in November 2006, Government of India had made detailed presentations on a wide range of issues including the areas in which it can provide technical assistance to other Member States for implementation of the relevant UN Security Council resolutions. For example, India can offer assistance to other countries under the auspices of CTC in the following areas:

a) Training of immigration personnel in detection of forged, falsified or stolen documents
b) Technical assistance in computerization of immigration systems
c) Assistance in providing training of personnel involved in the implementation and enforcement of Anti Money Laundering and Terrorist Financing law in the following areas:
   (i) Establishment of Financial Intelligence Units;
   (ii) Analysis of intelligence related to Money Laundering and Terrorist Financing;

(iii) In the development of information and communication technology for building a comprehensive tool for analysis of Financial Information and other data relating to the above; and

(iv) Cooperation in any other mutually identified areas.

3.3 Furthermore, in light of the specific areas related to India's implementation of resolution 1373(2001) outlined in Section 1 of this letter, and based on India's reports to the Committee and on other relevant information available, the Committee, with assistance from the CTED experts, has conducted a preliminary analysis of the India's technical assistance needs in order to identify priority areas in which the Committee believes India may benefit from receiving technical assistance. With the agreement of and in cooperation with the Government of India, the aim is to identify the best possible way for India to benefit from technical assistance in order to strengthen its implementation of the provisions of this resolution.

3.4 The analysis identified, on a preliminary basis, the following potential areas of assistance needs, with the understanding that further assessments may be necessary. The points below represent selected areas, amongst the areas referred to in the resolution, where assistance might be particularly useful:

- ***Training in terrorist financing investigation techniques;***
- ***Training in money laundering investigation techniques;***
- ***Training in border patrol and security investigation techniques;***
- ***Regulation of alternative currency transfer systems to ensure that they are not used for terrorist purposes; and***
- ***Regulation of charitable and non-profit organizations to ensure that they, and funds provided to them, are not used for terrorist purposes.***

Response: India has considerable expertise in the above mentioned areas at strategic, tactical and operational levels. While exchange of experience, workshops etc. are essential for keeping abreast of developments, India's requirements are peculiar to its own circumstances. As such, training areas can best be decided bilaterally and through agency-to-agency contacts, rather than through multi-lateral agencies to ensure focus

on specific aspects rather than generic sensitization where our expertise is already of international standards.

India has considerable expertise in the areas of terrorist financing & money laundering and as such does not require training for its officers in the Terrorist Financing Investigation Techniques. India also has bilateral arrangements with 25 countries, which provide inter-alia for capacity building particularly by sharing of experiences and exchange of information to bring the investigation capabilities on a common platform. The Border Guarding Forces such as BSF, ITBP, SSB and Coast Guards have their own captive training institutions and run specific courses for upgrading the capacity of their personnel.

As a further illustration, it may be stated that FIU-IND does not require any technical assistance for training and regulation. It has the inherent capacity to deal with various money laundering related issues including investigation techniques. It has been ensured that officers possessing substantial experience in financial transactions analyses and investigation of financial crimes form part of FIU-IND, who possess the desired capacity to give effect to the provisions of the Act.

In view of the foregoing, Government of India does not consider it necessary that the above list of areas identified by CTED is circulated amongst Member States.

3.5 The Committee would like to receive your country's approval to share the above-mentioned points with providers of technical assistance that may be in a position to provide assistance in these selected areas (other parts of this letter will not be shared). This would enable the Committee to facilitate the provision of technical assistance. The Committee would appreciate receiving your country's response no later than 30 days from the date of this letter. If your country's response is not received within that period, the Committee will assume that the points could be shared with the donor states and organizations. The actual provision of assistance will naturally be subject to the India's request and consent. The Committee would also welcome any comments India may have regarding this section(Section 3 on 'assistance and guidance')

Response: As already conveyed, Government of India does not consider it necessary to share the above-mentioned points with providers of technical assistance.

4. Further guidance and submission of future reports

4.1 The Committee wishes to maintain the constructive dialogue it has established with India concerning measures taken in implementation of the resolutions, particularly with regard to the areas identified in this letter as priorities. The Committee and its Executive Director stand ready to provide further clarification on any of the matters raised in this letter. The Executive Director can be contacted through Ms. Elena Rigacci Hay (telephone : +1 212 457 1733; fax:+1 212 457 4041; email: cted@ un.org). The Committee, through its Executive Directorate , may also contact the competent authorities of your country in order to discuss any other matters related to the implementation of the resolutions.

4.2 The Committee would like to receive from India further information on the questions raised and comments made in Section 1 and 2 of this letter by 20 March 2006. It would also be grateful if India would provide an update on assistance received thus far, including whether such assistance has met or is expected to meet its needs in areas related to the resolutions. As with previous reports, it is the Committee's intention to circulate this further report as a document of the Security Council. It is open to India, if it so desires, to submit a confidential annex to the report for the attention of the Committee and its Executive Directorate alone.

4.3 At a future stage of its work, the Committee may have further comments or questions for India arising from other aspects of the resolutions. It would be grateful to be kept informed of any new developments regarding your country's implementation of the resolutions.

Response: CTC's observations under Section 4 have been overtaken by developments. Government of India accepted the visit of composite delegation of counter-terrorism experts in the UN in November 2006. which was led by the Executive Director of

CTED and comprised, besides CTED officials, representatives of the Monitoring Team of UNSC's 1267 Committee, INTERPOL, UNODC and WCO.

The visit provided a very useful opportunity to the UN counter-terrorism experts to obtain indepth information about India's legal and policy framework as well as its well developed machinery for counter-terrorism. Besides making a first hand assessment of Government of India's fulfillment of its obligations under the relevant Security Council resolutions on counter-terrorism, the visit was utilized by both sides to have a comprehensive and mutually beneficial exchange of views on a gamut of issues related to counter-terrorism.